

Maine Revised Statutes
Title 8: AMUSEMENTS AND SPORTS
Chapter 16: TRI-STATE LOTTO COMPACT

§416-A. PAYMENT OF PRIZE TO ANOTHER PERSON

1. Conditions permitting payment of a prize to another person. Payment of a prize may be made to a person other than the winner as follows:

A. To the estate of a deceased prizewinner upon receipt by the commission of a certified court order appointing an executor or administrator; [1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

B. To any person pursuant to a certified final order of a court of competent jurisdiction, including orders pertaining to claims of ownership in the prize, division of marital property in divorce actions, bankruptcy, child support, appointment of a guardian or conservator and distribution of an estate; or [1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

C. (TEXT EFFECTIVE UNTIL CONTINGENCY: See PL 1995, c. 652, §4, sub-§§1-4) To any person, including a trustee, pursuant to a certified final order of a court of competent jurisdiction of a party state approving the voluntary assignment of the right to a prize if the court affirmatively finds all of the following:

- (1) That the assignor and the assignee are not represented by the same counsel;
- (2) That the assignment is in writing and represents the entire agreement between the parties;
- (3) That the assignment agreement contains the following provisions:
 - (a) The assignor's name, social security number or tax identification number and address;
 - (b) The assignee's name, social security number or tax identification number, citizenship or resident alien number, if applicable, and address;
 - (c) The specific prize payment or payments assigned or any portion of the payments, including:
 - (i) The payable due dates and amounts of each payment to be assigned; and
 - (ii) The gross amount of the annual payment or payments to be assigned before taxes; and
 - (d) A notice of right to cancel in immediate proximity to the space reserved for the signature of the assignor in boldface type of a minimum size of 10 points that provides that:
 - (i) The assignor may cancel the assignment without cost until midnight of the 15th business day after the day on which the assignor has signed an agreement to assign a prize or portion of a prize;
 - (ii) Cancellation occurs when notice of cancellation is given to the assignee;
 - (iii) Notice is sufficient if it indicates the intention of the assignor not to be bound; and
 - (iv) Notice of cancellation, if given by mail, is deemed given when deposited in a mailbox properly addressed with first class mail postage prepaid.

Failure to provide the notice of right to cancel as provided in this division renders the assignment agreement unenforceable and the assignor may collect a reasonable attorney's fee in any action to enforce such agreement;

- (4) That, prior to execution of the assignment agreement, the assignee has provided to the assignor in writing, on a disclosure form separate and apart from the agreement, the following:
 - (a) The aggregate dollar value of payments assigned;

- (b) The total consideration paid to the assignor by the assignee; and
 - (c) An itemization of all other fees or costs to be paid by the assignor or deducted from the payment to the assignor;
- (5) That the assignor has represented to the court in sworn testimony, if a personal appearance is required by the court, or in the assignor's written affidavit, sworn to under penalty of perjury, that:
- (a) Prior to signing the assignment agreement, the assignor reviewed the agreement and understood its terms and effects;
 - (b) The assignor has consulted with independent financial and tax advisors not referred by or associated with the assignee;
 - (c) The assignor has signed the assignment agreement acting under free will without undue influence or duress;
 - (d) The assignor is not under any obligation to pay child support or is under that obligation and is in good standing with respect to that obligation or has agreed to a payment plan with the party state agency responsible for child support and is in full compliance with that plan; and
 - (e) The assigned payment or payments are not subject to any claims, liens, levies, security interests, assignments or offsets asserted by other persons or the party states or has provided the court with written consent of each person having such an interest; and
- (6) If the assignor is married, the assignor has submitted to the court a signed and notarized statement of the spouse consenting to the assignment. If a notarized statement is not presented to the court, the court shall determine the ability of the assignor to make the proposed assignment without the spouse's consent. [1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF).]

C. (TEXT REPEALED ON CONTINGENCY: See PL 1995, c. 652, §4, sub-§§1-4) [1995, c. 652, §4 (RP).]

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

2. (TEXT EFFECTIVE UNTIL CONTINGENCY: See PL 1995, c. 652, §4, sub-§§1-4) Pledge of payment as collateral for a loan. A winner may pledge all or any part of a prize as collateral for a loan.

A. Notwithstanding any provision of the Uniform Commercial Code - Secured Transactions, Title 11, article 9, to the contrary, perfection of a security interest in a prize must be completed by filing, in addition to any other filings that may be required, a financing statement with the commission. [1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF).]

B. In order to be entitled to receive a prize payment or payments from the commission, a secured party must obtain a certified final order of a court of competent jurisdiction that:

- (1) Adjudges the prize winner in default of a loan agreement with the secured party;
 - (2) Makes findings with respect to the loan agreements and financing statements constituting the loan transaction that are equivalent to those required pursuant to subsection 1, paragraph C and, in addition, a finding that truth-in-lending disclosures set forth in 12 Code of Federal Regulations, Sections 226.17, 226.18, 226.19 and 226.20 were made; and
 - (3) Identifies specific payments and awards ownership of those payments to the secured party.
- [1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF).]

C. This subsection may not be construed to:

- (1) Create or enlarge a cause of action in favor of a secured party;
- (2) Alter or impair any rule of law applicable to or governing the rights of a debtor under federal or state lending statutes; or

(3) Alter or impair the provisions of the Uniform Commercial Code - Secured Transactions, Title 11, article 9, except to the extent inconsistent with the provisions of this section. [1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF).]

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

2. (TEXT REPEALED ON CONTINGENCY: See PL 1995, c. 652, §4, sub-§§1-4) Pledge of payment as collateral for a loan.

[1995, c. 652, §4 (RP) .]

3. Commission intervention. The commission may intervene as of right in any action pursuant to subsection 1, paragraph C or subsection 2, but may not be considered an indispensable or necessary party.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

4. Service of final order. A certified copy of the final order required by subsection 1, paragraph B, a certified copy of the final order and the assignor's affidavit required under subsection 1, paragraph C and a certified copy of the final order required by subsection 2 must be served on the commission together with a nonrefundable processing fee of \$500 within 15 days after entry of the order.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

5. Request to modify or vacate final order. The commission may file a request to modify or vacate a final order pursuant to subsection 1, paragraph C or subsection 2 within 15 days after service of the order on the commission.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

6. Payments. Commencing on the 30th day after full compliance with subsection 4 or after final determination of any motion filed to vacate or modify a final order entered pursuant to subsection 5, the commission is obligated to make payments, subject to tax withholding, in accordance with that order.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

7. Change in assignment. A modification or amendment to an order pursuant to subsection 1, paragraph B or C or subsection 2 or an additional or subsequent assignment of a prize is not valid or binding on the commission unless the modification, amendment or assignment is approved by a separate court order that meets the requirements of this section.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

8. Discharge of liability. The commission, its officers, agents and employees are discharged of all further liability upon payment of a prize pursuant to this section.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

9. Confidentiality of records. The financial, tax, trust or personal records filed, received, maintained or produced by the commission in connection with payment of a prize as provided in this section are confidential. Such records are not public records under Title 1, chapter 13. Upon written request, the commission may release the name, town of residence, date of prize and the gross and net amounts of the annual prize payment of a winner. Financing statements filed with the commission are public records.

[1995, c. 652, §2 (NEW); 1995, c. 652, §4 (AFF) .]

10. Child support and other state debts. This compact recognizes that each party state has enacted laws authorizing a party state agency to offset against lottery winnings debts owed for child support, unemployment overpayment and tax liability. Upon receipt of notice from a party state agency, the commission shall suspend payment of winnings in the amount of the debt and notify the winner. Any debts of a winner under this subsection must be offset by the commission in the manner in which the state lottery or commission of a party state is required by law to offset those debts.

[2013, c. 352, §11 (AMD) .]

SECTION HISTORY

1995, c. 652, §2 (NEW). 1995, c. 652, §4 (AFF). 2013, c. 352, §11 (AMD) .

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